

IN THE MATTER OF
THE SECURITIES LEGISLATION OF QUEBEC, BRITISH COLUMBIA, ALBERTA,
SASKATCHEWAN, MANITOBA, ONTARIO, NEW BRUNSWICK, PRINCE EDWARD
ISLAND, NOVA SCOTIA AND NEWFOUNDLAND

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF
APPLICATIONS

AND

IN THE MATTER OF
SOLECTRON CORPORATION, SOLECTRON GLOBAL SERVICES CANADA INC.,
3942163 CANADA INC., SOLECTRON CANADA ULC AND C-MAC INDUSTRIES INC.

MRRS DECISION DOCUMENT

WHEREAS the Canadian securities regulatory authority or regulator (the "Decision Maker") in each of Quebec, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland (collectively, the "Jurisdictions") has received an application from Solectron Corporation ("Solectron"), Solectron Global Services Canada Inc. ("Exchangeco"), 3942163 Canada Inc. ("Calco") and Solectron Canada ULC ("Nova Scotia Company") (collectively, the "Filer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that:

- (a) the trades of securities involved in connection with the combination of Solectron and C-MAC Industries Inc. ("C-MAC") (the "Transaction") to be effected by way of an Arrangement (as defined below) shall be exempt from the registration and prospectus requirements of the Legislation;
- (b) Exchangeco be exempt from the requirements of the Legislation to issue a press release and report material changes, to file with the Decision Makers and to deliver to shareholders interim financial statements, audited annual comparative financial statements and an annual report where applicable and information circulars (or to make an annual filing in lieu thereof) and annual information forms (including management's discussion and analysis of the financial condition and results of operation of Exchangeco);
- (c) each "insider" (as such term is defined in the Legislation) of Exchangeco be exempt from the insider reporting requirements of the Legislation, subject to certain conditions, as described below; and
- (d) the requirements in the Legislation regulating the purchase by an issuer of its own securities and the reporting of such purchases (the "Issuer Bid

Requirements") in Ontario and the registration and prospectus requirements in Ontario shall not apply to the purchase by Exchangeco of Exchangeable Shares of Exchangeco owned by Calco in exchange for common or preferred shares of Exchangeco.

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Commission des valeurs mobilières du Québec (the "Commission") has been selected as the principal regulator for this application;

AND WHEREAS the Filer has represented to the Decision Makers that:

1. Solectron, C-MAC and 3924548 Canada Inc. have entered into a combination agreement dated August 8, 2001, as amended on September 7, 2001, among Solectron, 3942163 Canada Inc., 3924548 Canada Inc. and C-MAC (the "Combination Agreement") providing for the Transaction to be effected by way of an arrangement (the "Arrangement") under section 192 of the *Canada Business Corporations Act* ("CBCA") involving holders of common shares of C-MAC (the "C-MAC Common Shares"), holders of options to acquire C-MAC Common Shares (the "C-MAC Options"), C-MAC, Exchangeco, Calco and Solectron.

2. Solectron is a corporation incorporated under the laws of Delaware and is not a "reporting issuer" under the securities legislation of any Province or Territory of Canada. Solectron's principal corporate offices are located in Milpitas, California.

3. Solectron's authorized capital consists of 1,600,000,000 common shares (the "Solectron Common Shares") and 1,200,000 shares of preferred stock ("Solectron Preferred Stock") of which 200,000 shares have been designated Series A Participating Preferred Stock ("Solectron Series A Preferred Stock"). The Solectron Common Shares are fully participating voting shares. As of the close of business on October 18, 2001, there were 658,763,262 Solectron Common Shares outstanding and as of August 1st, 2001, approximately 0.5% of the outstanding Solectron Common Shares were held by Canadian residents. As part of the Transaction, Solectron will issue one special voting share (the "Special Voting Share") to a trustee (the "Trustee") which will be appointed as trustee under the Voting and Exchange Trust Agreement (described below).

4. Solectron also has stock option and purchase plans (collectively, the "Solectron Option Plans") pursuant to which the Solectron Board of Directors has the authority to, among other things, determine the type of options ("Solectron Options") and the number of Solectron Common Shares which are subject to the Solectron Options or the number of Solectron Common Shares which may be purchased, as the case may be.

5. Solectron has a rights agreement in place (the "Solectron Rights Agreement") which provides that each Solectron Common Share shall trade with an associated right (the "Solectron Right").

6. The Solectron Common Shares are listed on the New York Stock Exchange ("NYSE") and are not listed on any stock exchange in Canada. Solectron will apply to the NYSE to list the Solectron Common Shares issued pursuant to the Arrangement or issuable from time to time in

exchange for Exchangeable Shares (defined below) or upon exercise of the Replacement Options (defined below).

7. Exchangeco is a wholly-owned subsidiary of Solectron. Exchangeco was amalgamated under the laws of New Brunswick effective December 25, 1999 and was continued under the CBCA on November 16, 2001. At the effective date of the Arrangement (the "Effective Date"), Exchangeco will be an indirect subsidiary of Solectron and a direct subsidiary of Calco. Exchangeco's registered office is located in Toronto, Ontario. Exchangeco provides a complete range of technology repair, remanufacturing and refurbishment services for a large variety of electronic products.

8. The authorized capital of Exchangeco will be amended prior to the effective time on the Effective Date such that it will consist of an unlimited number of common shares, Class A Non-Voting Shares and Exchangeable Shares. The Exchangeable Shares will rank senior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets of Exchangeco among its shareholders for the purpose of winding-up its affairs.

9. Prior to the Arrangement becoming effective, Exchangeco will adopt an Exchangeable Share rights plan (the "Exchangeable Share Rights Plan") substantially equivalent to the Solectron Rights Agreement. Pursuant to the Exchangeable Share Rights Plan, each exchangeable share of Exchangeco (an "Exchangeable Share") issued in the Arrangement or otherwise will have an associated Exchangeable Share Right, entitling the holder of such Exchangeable Share Right to acquire additional Exchangeable Shares in certain limited circumstances.

10. Exchangeco is currently a private company. Prior to the completion of the Transaction, the articles of Exchangeco will be amended to remove its private company restrictions. Upon completion of the Transaction and the listing of the Exchangeable Shares on the TSE, Exchangeco will become a reporting issuer in Ontario. Exchangeco and Solectron may become reporting issuers under the securities legislation of certain of the other Provinces as a result of the Transaction.

11. Calco is a wholly-owned subsidiary of Solectron. Calco was formed on September 6, 2001 as a corporation under the CBCA to hold all of the common shares of Exchangeco, to participate in the Transaction by delivering Solectron Common Shares to holders of Exchangeable Shares receiving them upon Calco's exercise of certain call rights to acquire the Exchangeable Shares from the holders thereof and to hold various call rights related to the Exchangeable Shares. Calco's registered office is located in Toronto, Ontario.

12. The authorized capital of Calco consists of an unlimited number of common shares. As of October 18, 2001, there was one common share issued and outstanding which was held directly by Solectron.

13. Nova Scotia Company is a wholly-owned subsidiary of Solectron. Nova Scotia Company was formed on September 6, 2001 as an unlimited liability company under the laws of the

Province of Nova Scotia to participate in the Transaction and hold the common shares of Calco. Nova Scotia Company's registered office is located in Halifax, Nova Scotia.

14. The authorized capital of Nova Scotia Company consists of 1,000,000,000 common shares. As of October 18, 2001, there was one common share issued and outstanding which was held by Solectron.

15. C-MAC is a corporation incorporated under the CBCA. C-MAC is a reporting issuer under the Legislation and in each Jurisdiction that provides for a reporting issuer regime and is not, to its knowledge, in default of any requirement thereof. C-MAC's registered office is located in Montreal, Québec.

16. The authorized capital of C-MAC consists of an unlimited number of Common Shares, an unlimited number of Class "A" Preferred Shares and an unlimited number of Class "B" Preferred Shares and an unlimited number of Class "C" Preferred Shares (collectively, the "C-MAC Preferred Shares"). As of October 19, 2001, there were 86,322,376 C-MAC Common Shares outstanding. The C-MAC Common Shares are currently listed for trading on the TSE under the symbol "CMS" and on the NYSE as "EMS".

17. C-MAC Options have been granted pursuant to the 1992 C-MAC stock option plan, as amended and restated (the "C-MAC Option Plan"). As of October 19, 2001, there were C-MAC Options outstanding which, when vested, would be exercisable to acquire a total of approximately 2,934,911 C-MAC Common. Upon the Arrangement becoming effective, each outstanding C-MAC Option will become a replacement option (the "Replacement Options").

18. As at November 13, 2001, there were \$US100,000,000.00 of outstanding debentures due on December 31, 2008, all issued to the Caisse de Dépot by C-MAC. Pursuant to the terms of the trust indenture between C-MAC, certain of its subsidiaries and General Trust of Canada (the "Indenture") in respect of such debentures, C-MAC has covenanted to promptly provide to the trustee under the Indenture unaudited consolidated quarterly financial statements within 45 days after the end of each quarter (other than the last quarter of each fiscal year) and audited consolidated annual financial statements within 90 days following the end of each fiscal year, each prepared in accordance with Canadian generally accepted accounting principles, together with certain other prescribed financial information, regardless of C-MAC's status as a reporting issuer. The Indenture does not include any covenant requiring C-MAC to maintain its status as a reporting issuer.

19. The Transaction will be effected by way of the Arrangement which will require, among other things: (a) the approval of the holders of not less than 66 2/3% of the C-MAC Common Shares and C-MAC Options, voting together as a class, present in person or by proxy and voting at a special meeting of C-MAC shareholders (the "C-MAC Meeting") which is expected to be held on for November 28, 2001 for the purpose of approving the Arrangement; and (b) the approval of the Superior Court of Québec (the "Court") by final order in respect of the Arrangement, the application in respect of which is expected to be heard on November 29, 2001.

20. The parties obtained an interim order (the "Interim Order") from the Court on October 18, 2001 in respect of the Arrangement. The Interim Order provides for the calling and holding of the C-MAC Meeting to consider the Arrangement as well as the requisite shareholder approval thresholds.

21. In connection with the Transaction, C-MAC has delivered to the holders of the C-MAC Common Shares an information circular (the "C-MAC Circular") dated October 20, 2001 which will also contain a prospectus of Solectron under applicable U.S. securities laws in connection with the issuance of Solectron Common Shares (the "Joint Proxy Statement/Solectron Prospectus"). On September 10, 2001, Solectron filed a Form S-4 registration statement with the U.S. Securities Exchange Commission (the "SEC"), which was declared effective on October 19, 2001 to register the Solectron Common Shares that will be issued to holders of C-MAC Common Shares in exchange for C-MAC Common Shares pursuant to the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares.

22. Pursuant to the NYSE requirements, Solectron is also required to hold a special meeting of its stockholders (the "Solectron Meeting") to approve the issuance of the Solectron Common Shares to be used as consideration in the Transaction, including the Solectron Common Shares to be issued upon exchange of Exchangeable Shares and upon the exercise of the Replacement Options. The Joint Proxy Statement/Solectron Prospectus also serves as the Solectron management information circular in respect of these matters.

23. On the Arrangement becoming effective, the steps described below will occur:

(a) The outstanding C-MAC Common Shares held by each shareholder, other than (A) C-MAC Common Shares held by shareholders exercising their dissent rights who are ultimately entitled to be paid the fair value of the C-MAC Common Shares held by them, (B) C-MAC Common Shares held by Solectron or any affiliate thereof, and (C) C-MAC Common Shares held by any Holding Companies, will be transferred by the holder thereof to Exchangeco in exchange for:

(i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held by such shareholder multiplied by 1.755 (the "Exchange Ratio"),

(ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by such shareholder multiplied by the Exchange Ratio, or

(iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC

Common Shares held by such shareholder multiplied by the Exchange Ratio,

the whole as set forth in a letter of transmittal and election form sent by C-MAC (the "Letter of Transmittal and Election Form") and delivered to the depository by the election deadline, provided that notwithstanding the foregoing, only shareholders of C-MAC who are either, (1) Canadian residents who hold such C-MAC Common Shares on their own behalf, or (2) persons who hold such C-MAC Common Shares on behalf of one or more Canadian residents, shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other shareholders of C-MAC shall be invalid, and the C-MAC Common Shares of any such invalidly-electing C-MAC Shareholder and of C-MAC Shareholders who do not validly complete and deliver a Letter of Transmittal and Election Form to the depository by the election deadline shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(b) the outstanding shares ("Holding Company Shares") of persons holding C-MAC Common Shares through a holding company (a "Holding Company") meeting certain conditions and who elect to participate in a Holding Company alternative (the "Holding Company Alternative") in respect of each particular Holding Company shall be transferred by the holder(s) thereof to Exchangeco in exchange for,

(i) that number of Solectron Common Shares equal to the product of the total number of C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

(ii) that number of Exchangeable Shares (and certain ancillary rights) equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio, or

(iii) a combination of Solectron Common Shares and Exchangeable Shares (and certain ancillary rights), which aggregate number of Solectron Common Shares and Exchangeable Shares is equal to the product of the total number of such C-MAC Common Shares held by that Holding Company multiplied by the Exchange Ratio,

the whole as set forth in a Holding Company letter of transmittal and election form sent by C-MAC to requesting shareholders of C-MAC (the "Holding Company Letter of Transmittal and Election Form") and deliver to the depository by the election deadline, provided that notwithstanding the foregoing, only holders of Holding Company Shares who are either, (1) Canadian residents who hold such Holding Company Shares on their own behalf, or (2) persons who hold such Holding Company Shares on behalf of one or more Canadian residents, shall be entitled to elect to receive Exchangeable Shares in respect of any such C-MAC Common Shares as set out in paragraphs (ii) and (iii) above, and any elections to receive Exchangeable Shares made by any other holder of Holding Company Shares shall be invalid, and the Holding Company Shares of any such invalid election shall be deemed to have been transferred to Exchangeco solely in consideration for Solectron Common Shares pursuant to (i) above;

(c) Coincident with the transfer of the C-MAC Common Shares to Exchangeco, Solectron, Callco, Nova Scotia Company and Exchangeco shall execute a support agreement (the "Exchangeable Share Support Agreement") and Solectron, Exchangeco and the Trustee will enter into a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement") and all rights of holders of Exchangeable Shares under the Voting and Exchange Trust Agreement shall be received by them as part of the property receivable by them in exchange for the C-MAC Common Shares so transferred; and

(d) Each option to acquire C-MAC Common Shares under the C-MAC stock option plan (individually, a "C-MAC Option" and collectively, the "C-MAC Options") outstanding on the Effective Date, will be exchanged for a Replacement Option to purchase the number of Solectron Common Shares equal to the product of the Exchange Ratio multiplied by the number of C-MAC Common Shares that may be purchased as if such C-MAC Option was exercisable and exercised immediately prior to the Arrangement becoming effective and the option exercise price shall be adjusted by dividing the exercise price under the C-MAC Options by the Exchange Ratio.

24. As a result of the foregoing, upon the completion of the Arrangement, all of the issued and outstanding C-MAC Common Shares will be held directly or indirectly by Solectron and its affiliates.

25. The Exchangeable Shares, together with the Voting and Exchange Trust Agreement described below, will provide holders thereof with a security of a Canadian issuer having economic and voting rights which are substantially economically equivalent to those of a Solectron Common Share. Exchangeable Shares will generally be received by Canadian-resident holders of C-MAC Common Shares who validly make a joint tax election with Exchangeco on a tax-deferred rollover basis for purposes of the *Income Tax Act* (Canada) ("ITA") and, provided that the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), will be "qualified investments" for certain investors and will not constitute "foreign property", in each case, under the ITA. The Exchangeable Shares will be

exchangeable by a holder thereof for Solectron Common Shares on a one-for-one basis at any time at the option of such holder and will be required to be exchanged upon the occurrence of certain events, as more fully described below. Subject to applicable law and the paragraphs below, dividends will be payable on the Exchangeable Shares contemporaneously and in the equivalent amount per share as dividends on the Solectron Common Shares. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change to the capital structure of Solectron so as to maintain at all times the initial one-to-one relationship between the Exchangeable Shares and Solectron Common Shares.

26. No fractional Exchangeable Shares or fractional Solectron Common Shares will be issued pursuant to the Arrangement. In lieu of fractional shares, each holder of C-MAC Common Shares who would otherwise be entitled to receive a fraction of an Exchangeable Share or a fraction of a Solectron Common Share shall be paid an amount in cash equal to such holder's pro rata share of the net proceeds received from aggregating all such fractional interests and selling them in the open market.

27. Exchangeco will deliver or cause to be delivered to each holder of C-MAC Common Shares the Solectron Common Shares or Exchangeable Shares, as the case may be, that must be delivered to such holder pursuant to the Arrangement in exchange for the C-MAC Common Shares held by such holder.

28. The Exchangeable Shares will rank prior to the Class A Non-Voting Shares and the common shares of Exchangeco with respect to the payment of dividends and the distribution of property or assets in the event of the liquidation, dissolution or winding-up of Exchangeco, whether voluntary or involuntary, or any other distribution of property or assets of Exchangeco among its shareholders for the purpose of winding-up its affairs. The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (the "Exchangeable Share Provisions") will provide that each Exchangeable Share will entitle the holder to dividends from Exchangeco payable at the same time as, and equivalent to, each dividend paid by Solectron on a Solectron Common Share. The record date for the determination of the holders of Exchangeable Shares entitled to receive Exchangeable Shares in connection with any subdivision of Exchangeable Shares and the effective date of such subdivision shall be the same dates as the record date and the payment date, respectively, for the corresponding stock dividend declared on Solectron Common Shares.

29. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law) and will be retractable at the option of the holder at any time. Subject to the overriding retraction call right of Calco referred to below, upon retraction, the holder will be entitled to receive from Exchangeco for each Exchangeable Share retracted an amount equal to the current market price of a Solectron Common Share on the last business day prior to the retraction date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date therefor, an amount equal to all declared and unpaid dividends on each such retracted Exchangeable Share held by the holder on any dividend record date prior to the date of retraction (such aggregate amount, the "Retraction Price"). Upon being notified by Exchangeco of a proposed retraction of Exchangeable Shares, Calco will have an overriding retraction call right (the "Retraction Call Right") to purchase from the holder all of

the Exchangeable Shares that are the subject of the retraction notice for a price per share equal to the Retraction Price.

30. Subject to the applicable law and the overriding redemption call right of Calco referred to below, Exchangeco may redeem all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on, or any time after, the seventh anniversary of the effective date of the Transaction (the "Redemption Date"). In certain circumstances the Board of Directors of Exchangeco may accelerate the Redemption Date. Upon such redemption, a holder will be entitled to receive from Exchangeco for each Exchangeable Share redeemed an amount equal to the current market price of a Solectron Common Share on the last business day prior to the Redemption Date, to be satisfied by the delivery of one Solectron Common Share, together with, on the designated payment date thereof, all declared and unpaid dividends on each such redeemed Exchangeable Share held by the holder on any dividend record date prior to the Redemption Date (such aggregate amount, the "Redemption Price"). Upon being notified by Exchangeco of a proposed redemption of Exchangeable Shares, Calco will have an overriding redemption call right (the "Redemption Call Right") to purchase on the Redemption Date all but not less than all of the then outstanding Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) for a price per share equal to the Redemption Price. Upon the exercise of the Redemption Call Right by Calco, holders will be obligated to sell their Exchangeable Shares to Calco. If Calco exercises its Redemption Call Right, Exchangeco's right and obligation to redeem the Exchangeable Shares on the Redemption Date will terminate.

31. Subject to the overriding liquidation call right of Calco referred to below, in the event of the liquidation, dissolution or winding-up of Exchangeco, holders of Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) will be entitled to put their shares to Solectron in exchange for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement. Upon a proposed liquidation, dissolution or winding-up of Exchangeco, Calco will have an overriding liquidation call right (the "Liquidation Call Right") to purchase from all but not less than all of the holders of Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) on the effective date of such liquidation, dissolution or winding-up (the "Liquidation Date") all but not less than all of the Exchangeable Shares held by each such holder for a price per share equal to the current market price of a Solectron Common Share on the last business day prior to the Liquidation Date, to be satisfied by the delivery of one Solectron Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on each Exchangeable Share held by such holder on any dividend record date prior to the date of purchase by Calco.

32. Upon the occurrence of certain changes in Canadian tax law, Solectron has the right to purchase or cause Calco to purchase the Exchangeable Shares (other than Exchangeable Shares held by Solectron and its affiliates) prior to the seventh anniversary of the Effective Date. Solectron may exercise this call right if it delivers to the Trustee an opinion of counsel stating that there has been a change to the ITA and applicable Québec provincial income tax legislation to the effect that a sale by beneficial owners of the Exchangeable Shares (other than Solectron and its affiliates) who are Canadian residents and hold their Exchangeable Shares as capital

property will qualify as a tax-deferred transaction for purposes of the ITA and applicable Québec provincial income tax legislation.

33. Upon the liquidation, dissolution or winding-up of Solectron, all Exchangeable Shares held by holders (other than Exchangeable Shares held by Solectron and its affiliates) will be automatically exchanged for Solectron Common Shares pursuant to the Voting and Exchange Trust Agreement, in order that holders of Exchangeable Shares will be able to participate in the dissolution of Solectron on a pro rata basis with the holders of Solectron Common Shares.

34. Upon the exchange of an Exchangeable Share for a Solectron Common Share, the holder of the Exchangeable Share will no longer be a beneficiary of the trust created by the Voting and Exchange Trust Agreement that holds the Special Voting Share, as described below.

35. The Special Voting Share will be authorized for issuance pursuant to the Combination Agreement and, pursuant to the Arrangement, will be issued to the Trustee appointed under the Voting and Exchange Trust Agreement. Except as otherwise required by applicable law, the Special Voting Share will be entitled to the number of votes, exercisable at any meeting of the holders of Solectron Common Shares, equal to the number of votes that would attach to the Solectron Common Shares into which the Exchangeable Shares outstanding from time to time (and not owned by Solectron and its affiliates) could be exchanged. Holders of Exchangeable Shares will exercise the voting rights attached to the Special Voting Share through the mechanism of the Voting and Exchange Trust Agreement (described below). The holder of the Special Voting Share will not be entitled to receive dividends from Solectron and, in the event of any liquidation, dissolution or winding-up of Solectron, will receive an amount equal to the par value thereof. At such time as the Special Voting Share has no votes attached to it because there are no Exchangeable Shares outstanding not owned by Solectron and its affiliates, the Special Voting Share will be cancelled.

36. The Special Voting Share will be issued to and held by the Trustee for the benefit of the holders of the Exchangeable Shares outstanding from time to time (other than Solectron and its affiliates) pursuant to a Voting and Exchange Trust Agreement to be entered into by Solectron, Exchangeco and the Trustee contemporaneously with the closing of the Transaction. Each voting right attached to the Special Voting Share must be voted by the Trustee pursuant to the instructions of the holder of the related Exchangeable Share. In the absence of any such instructions from a holder as to voting, the Trustee will not be entitled to exercise the related voting rights. Upon the exchange of all of a holder's Exchangeable Shares for Solectron Common Shares, all rights of such holder of Exchangeable Shares to instruct the Trustee to exercise votes attached to the Special Voting Share in respect of the exchanged Exchangeable Shares will cease.

37. Under the Voting and Exchange Trust Agreement, Solectron will grant to the Trustee for the benefit of the holders of the Exchangeable Shares a right (the "Exchange Right") exercisable upon the insolvency of Exchangeco, to require Solectron to purchase from a holder of Exchangeable Shares (other than Solectron or its affiliates) all or any part of the Exchangeable Shares held by that holder. The purchase price for each Exchangeable Share purchased by Solectron under the Exchange Right will be an amount equal to the current market price of a

Solectron Common Share on the last business day prior to the day of closing the purchase and sale of such Exchangeable Share under the Exchange Right, to be satisfied by the delivery to the Trustee, on behalf of the holder, of one Solectron Common Share, together with an additional amount equivalent to the full amount of all declared and unpaid dividends on such Exchangeable Share held by the holder of any dividend record date prior to the closing of the purchase and sale.

38. Contemporaneously with the closing of the Transaction, Solectron, Exchangeco, Callco and Nova Scotia Company will enter into an Exchangeable Share Support Agreement which will provide: (a) that Solectron will not declare or pay any dividends on the Solectron Common Shares unless Exchangeco is able to declare and pay, and simultaneously declares and pays, as the case may be, an equivalent dividend on the Exchangeable Shares provided that in the case of a stock dividend declaration on the Solectron Common Shares, Exchangeco is able to subdivide and subdivides each issued and unissued Exchangeable Share in the manner described in paragraph 28 above in lieu of declaring a corresponding stock dividend on the Exchangeable Shares; (b) that Solectron will itself and ensure that Exchangeco and Callco will be able to honour the redemption and retraction rights and dissolution entitlements that are attributes of the Exchangeable Shares under the Exchangeable Share Provisions and the related redemption, retraction liquidation, and change-of-law call rights described above in paragraphs 29, 30, 31 and 32; and (c) that Solectron will ensure that Callco does not exercise its vote as a shareholder to initiate the voluntary liquidation, dissolution or winding up of Exchangeco nor take any action or omit to take any action that is designed to result in the liquidation, dissolution or winding up of Exchangeco.

39. The Exchangeable Share Support Agreement and the Exchangeable Share Provisions will provide that, without the prior approval of Exchangeco and the holders of the Exchangeable Shares, Solectron will not issue or distribute additional Solectron Common Shares, securities exchangeable for or convertible into or carrying rights to acquire Solectron Common Shares, rights, options or warrants to subscribe therefor, evidences of indebtedness or other assets, to all or substantially all holders of Solectron Common Shares, nor shall Solectron change the Solectron Common Shares, unless the same or an economically equivalent distribution on or change to the Exchangeable Shares (or in the rights of the holders thereof) is made simultaneously.

Prospectus and Registration Relief

General

40. The steps under the Transaction and the attributes of the Exchangeable Shares contained in the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement, the Exchangeable Share Support Agreement and the Exchangeable Share Rights Plan involve or may involve a number of trades of securities, including trades related to the issuance of the Exchangeable Shares and Solectron Common Shares pursuant to the Transaction or upon the issuance of Solectron Common Shares in exchange for Exchangeable Shares. The trades and possible trades in securities to which the Transaction gives rise are the following:

(a) the issuance by Solectron of Solectron Common Shares to Exchangeco in exchange for Class A Non-Voting Shares or promissory notes and the subsequent transfer by Exchangeco of Solectron Common Shares to holders of C-MAC Common Shares (or shareholders of Holding Companies which hold C-MAC Common Shares) entitled to receive Solectron Common Shares upon the Arrangement or, at the direction of Exchangeco, the issuance by Solectron of Solectron Common Shares to holders of C-MAC Common Shares (or shareholders of Holding Companies who hold C-MAC Common Shares) entitled to receive Solectron Common Shares upon the Arrangement;

(b) the transfer to Exchangeco of C-MAC Common Shares by C-MAC Shareholders (and the transfer of shares of Holding Companies by C-MAC shareholders who hold C-MAC Common Shares indirectly through such Holding Companies), other than those held by any Holding Companies, those held by C-MAC Shareholders exercising their right of dissent and ultimately entitled to receive fair value, and those held by Solectron or any of its affiliates;

(c) the issuance of Exchangeable Shares by Exchangeco to C-MAC Shareholders validly electing to receive Exchangeable Shares upon the Arrangement;

(d) the transfer of C-MAC Common Shares to C-MAC by dissenting C-MAC Shareholders pursuant to the Arrangement;

(e) the grant of the change-in-law call right by holders of Exchangeable Shares to Solectron;

(f) the exchange of C-MAC Options for Replacement Options and the issuance and delivery of Solectron Common Shares to a holder of a Replacement Option upon the exercise thereof;

(g) the grant by Solectron to the Trustee for the benefit of holders of Exchangeable Shares, pursuant to the Voting and Exchange Trust Agreement, of the Exchange Right, the Automatic Exchange Right and the voting rights pursuant to the Special Voting Share;

(h) the issuance by Solectron, pursuant to the Voting and Exchange Trust Agreement, of the Special Voting Share to the Trustee for the benefit of the holders of the Exchangeable Shares;

(i) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, from time to time to enable Exchangeco to deliver Solectron Common Shares to a holder of Exchangeable Shares upon a retraction of the Exchangeable Shares held by such holder, and the subsequent delivery thereof by or at the direction of Exchangeco upon such retraction;

- (j) the transfer of Exchangeable Shares by the holder to Exchangeco upon the holder's retraction of Exchangeable Shares;
- (k) the grant of the Liquidation Call Right to Calco to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon a proposed liquidation, dissolution or winding-up of Exchangeco;
- (l) the grant of the Retraction Call Right to Calco to purchase from a holder of Exchangeable Shares all of the Exchangeable Shares of such holder that are the subject of the retraction notice;
- (m) the grant of the Redemption Call Right to Calco to purchase all of the outstanding Exchangeable Shares from the holders of such shares upon notice from Exchangeco of a proposed redemption of Exchangeable Shares;
- (n) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, from time to time to enable Calco to deliver Solectron Common Shares to a holder of Exchangeable Shares in connection with Calco's exercise of its overriding retraction call right, and the subsequent delivery thereof by Calco upon the exercise of such overriding retraction call right;
- (o) the transfer of Exchangeable Shares by the holder to Calco upon Calco exercising its overriding retraction call right;
- (p) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Exchangeco to deliver Solectron Common Shares to holders of Exchangeable Shares upon the redemption of the Exchangeable Shares, and the subsequent delivery thereof by or at the direction Exchangeco upon such redemption;
- (q) the transfer of Exchangeable Shares by holders to Exchangeco upon the redemption of Exchangeable Shares;
- (r) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Calco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with Calco's exercise of its overriding redemption call right, and the subsequent delivery thereof by Calco upon the exercise of such overriding redemption call right;

- (s) the transfer of Exchangeable Shares by holders to Calco upon Calco exercising its overriding redemption call right;
- (t) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Exchangeco to deliver Solectron Common Shares to holders of Exchangeable Shares on the liquidation, dissolution or winding-up of Exchangeco and the subsequent delivery thereof by Exchangeco upon such liquidation, dissolution or winding-up;
- (u) the transfer of Exchangeable Shares by holders to Exchangeco on the liquidation, dissolution or winding-up of Exchangeco;
- (v) the issuance and intra-group transfers of Solectron Common Shares and related issuances of Class A Non-Voting Shares, promissory notes and/or shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Calco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with Calco's exercise of its overriding liquidation call right, and the subsequent delivery thereof by Calco upon the exercise of such overriding liquidation call right;
- (w) the transfer of Exchangeable Shares by holders to Calco upon Calco exercising its overriding liquidation call right;
- (x) upon the exercise of the change-in-law call right by Solectron: (i) if Solectron effects the share exchange, the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares; (ii) if Calco effects the share exchange at Solectron's direction, the issuance and intra-group transfers of Solectron Common Shares and related issuances of shares of Solectron affiliates in consideration therefor, all by and between Solectron and its affiliates, to enable Calco to deliver Solectron Common Shares to holders of Exchangeable Shares in connection with the exercise of the parent call right, and the subsequent delivery thereof by Calco upon the exercise of such parent call right; and (iii) the transfer of Exchangeable Shares by holders to Solectron (if (i)) or Calco (if (ii)) on the exercise of a call right by Solectron;
- (y) the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares upon the exercise of the Exchange Right by such holder;
- (z) the issuance and delivery of Solectron Common Shares by Solectron to holders of Exchangeable Shares pursuant to the Automatic Exchange Right;

(aa) the transfer of Exchangeable Shares by a holder to Solectron upon the exercise of the Exchange Right or the Automatic Exchange Right by such holder or pursuant to the Automatic Exchange Right; and

(bb) the issuance of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan, the issuance of Exchangeable Shares upon exercise of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan.

(collectively, the "Trades")

41. The fundamental investment decision to be made by a holder of C-MAC Common Shares is made at the time of the Arrangement, when such holder votes in respect of the Arrangement. As a result of this decision, a holder (other than a dissenting holder) will ultimately receive Exchangeable Shares or Solectron Common Shares in exchange for the C-MAC Common Shares held by such holder. The Exchangeable Shares (together with ancillary rights) will provide certain Canadian tax benefits to certain Canadian holders but will otherwise be substantially the economic and voting equivalent of the Solectron Common Shares, and as such all subsequent exchanges of Exchangeable Shares are in furtherance of the holder's initial investment decision. As mentioned above, that investment decision will be made on the basis of the C-MAC Circular which includes the Joint Proxy Statement/Solectron Prospectus and contains prospectus-level disclosure of the business and affairs of each of Solectron and C-MAC and of the particulars of the Transaction and the Arrangement.

42. If not for income tax considerations, Canadian resident holders of C-MAC Common Shares could have received Solectron Common Shares without the option of receiving Exchangeable Shares. The option in favour of certain Canadian resident holders of C-MAC Common Shares to ultimately receive Exchangeable Shares under the Arrangement will enable those holders of C-MAC Common Shares to defer certain Canadian income tax (provided a valid tax election is made) and, provided that the Exchangeable Shares are listed on a prescribed stock exchange in Canada (which currently includes the TSE), will permit other holders to hold property that is not "foreign property" under the ITA.

43. As a result of the economic and voting equivalency between Exchangeable Shares (together with certain ancillary rights) and Solectron Common Shares, holders of Exchangeable Shares will have a participating interest determined by reference to Solectron, rather than Exchangeco. Accordingly, it is the information relating to Solectron not Exchangeco, that will be relevant to holders of Solectron Common Shares and Exchangeable Shares.

44. Solectron will send concurrently to all holders of Solectron Common Shares resident in Canada all disclosure material furnished to holders of Solectron Common Shares resident in the United States including, without limitation, copies of its annual financial statements and all proxy solicitation materials.

45. The C-MAC Circular discloses that, in connection with the Arrangement, applications have been made for prospectus, registration and resale exemptions and exemptions from disclosure, insider and issuer reporting obligations. The C-MAC Circular specifies the disclosure

requirements from which Exchangeco and Solectron have applied to be exempted and identifies the disclosure that will be made in substitution therefor if such exemptions are granted.

46. For tax reasons, it is anticipated that subject to applicable law, Callco is likely to exercise the Redemption, Retraction and Liquidation Call Rights available on each occasion when such rights become exercisable.

47. It may be desirable for Exchangeco to purchase from Callco, from time to time or once all Exchangeable Shares have been acquired from holders thereof (other than Solectron and its affiliates), the Exchangeable Shares held by Callco as a result of the exercise of these rights.

48. The purchase price to be paid by Exchangeco to Callco for the Exchangeable Shares would be the fair market value of the Exchangeable Shares on the date of purchase and the purchase price would be satisfied by the issue of common shares of Exchangeco.

49. It is intended that Exchangeco will immediately cancel any Exchangeable Shares it purchases from Callco.

50. Such purchases will constitute an issuer bid under the Legislation of Ontario and will not be exempt from the issuer bid requirements under the Legislation.

51. The issuance by Exchangeco of common shares to Callco will be a distribution for purposes of the Legislation in Ontario and will not be exempt from the registration and prospectus requirements.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the Jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that:

I. the requirements contained in the Legislation to be registered to trade in a security, to file a preliminary prospectus and a prospectus and receive receipts therefor shall not apply to any of the Trades made in connection with or pursuant to the Arrangement, the Voting and Exchange Trust Agreement, the Exchangeable Share Support Agreement and the Exchangeable Share Rights Plan, provided that:

1. the first trade in Exchangeable Shares arising from a Trade, including without limitation, trades of Exchangeable Shares received in connection with the Arrangement, and the first trades of Exchangeable Shares upon exercise of Exchangeable Share Rights pursuant to the Exchangeable Share Rights Plan shall be a deemed distribution or a primary distribution to the public under the Legislation of the Jurisdiction in which such first trade takes place (the "Applicable Legislation") unless:

(a) at the time of the first trade, Exchangeco is, or is deemed to be, a reporting issuer or the equivalent under the Applicable Legislation or, if Exchangeco is not a reporting issuer or the equivalent pursuant to the Applicable Legislation, the requirements described in paragraph 4 are met;

(b) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares;

(c) no extraordinary commission or consideration is paid in respect of such first trade;

(d) if the seller of the securities is an insider or officer of Exchangeco, the seller has reasonable grounds to believe that Exchangeco is not in default of any requirement of the Applicable Legislation; and

(e) except in Quebec, the first trade is not from the holdings of a person, company or combination of persons or companies holding a sufficient number of any securities of Solectron or Exchangeco to affect materially the control of Solectron (any holder or any person, company or combination of persons or companies holding more than 20% of the outstanding voting securities of Solectron shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Solectron, and for this purpose, Solectron Common Shares and Exchangeable Shares are to be considered to be the same class) except where there is evidence showing that the holding of those securities does not affect materially the control of Solectron, unless:

(i) if applicable, Exchangeco is a reporting issuer or the equivalent under the Applicable Legislation and is not in default of any requirement thereof;

(ii) the seller files with the applicable Decision Maker(s) and any other stock exchange recognized by such Decision Maker(s) for this purpose on which the Exchangeable Shares are listed at least seven days and not more than fourteen days prior to the first trade made to carry out the distribution:

(A) a notice of intention to sell in the form prescribed by the Applicable Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Exchangeable Shares to be sold and the method of distribution; and

(B) a declaration signed by the seller as at a date not more than twenty-four hours prior to its filing and

prepared and executed in accordance with the Control Block Rules and certified as follows:

"The seller for whose account the securities to which this certificate relates are to be sold hereby represents that the seller has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the [name of securities regulatory authority in the Jurisdiction where the trade takes place], nor has the seller any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed";

provided that the notice required to be filed under section 1(e)(ii)(A) and the declaration required to be filed under section 1(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Exchangeable Shares specified under the original notice have not been sold or until notice has been filed that the Exchangeable Shares so specified or any part thereof are no longer for sale;

(iii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such resale or first trade, a report of the trade in the form prescribed by the Applicable Legislation;

(iv) no unusual effort is made to prepare the market or to create a demand for the Exchangeable Shares and no extraordinary commission or other consideration is paid in respect of such first trade; and

(v) the seller (or an affiliated entity) has held the Exchangeable Shares and/or the C-MAC Common Shares in the aggregate for a period of at least one year provided that if:

(A) the Applicable Legislation provides that, upon a seller to whom the Control Block Rules apply, acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing the date the last security of the class was acquired under such prescribed exemptions; and

(B) the seller acquires Exchangeable Shares pursuant to any such prescribed exemptions;

then all Exchangeable Shares held by the seller will be subject to a one year hold period commencing on the date any such subsequent Exchangeable Shares are so acquired; and

2. the first trade in Solectron Common Shares received in connection with the Arrangement, upon retraction or redemption of Exchangeable Shares or otherwise received in connection with the Trades, in a jurisdiction where Solectron is not a reporting issuer, shall be deemed a distribution or a primary distribution to the public under the Legislation unless such trade is executed through the facilities of a stock exchange or market outside of Canada and such first trade is made in accordance with the rules of the stock exchange or market upon which the trade is made in accordance with the laws applicable to such stock exchange or market; and

3. the first trade in Solectron Common Shares received in connection with the Arrangement, upon retraction or redemption of Exchangeable Shares or otherwise received in connection with the Trades, in a jurisdiction where Solectron is a reporting issuer, shall be deemed to be a distribution or primary distribution under the Applicable Legislation unless:

(a) at the time of the first trade, Solectron is, or is deemed to be, a reporting issuer or the equivalent under the Applicable Legislation;

(b) no unusual effort is made to prepare the market or to create a demand for the Solectron Common Shares;

(c) no extraordinary commission or consideration is paid in respect of such first trade;

(d) if the seller of the securities is an insider or officer of Solectron, the seller has reasonable grounds to believe that Solectron is not in default of any requirement of the Applicable Legislation; and

(e) except in Quebec, the first trade is not from the holdings of a person, company or combination of persons or companies holding a sufficient number of any securities of Solectron to affect materially the control of Solectron (any holder or any person, company or combination of persons or companies holding more than 20% of the outstanding voting securities of Solectron shall, in the absence of evidence to the contrary, be deemed to affect materially the control of Solectron) except where there is evidence showing that the holding of those securities does not affect materially the control of Solectron unless:

(i) the seller files with the applicable Decision Maker(s) and any other stock exchange recognized by such Decision Maker(s) for this purpose on which the Solectron Common Shares are listed at least seven days and not more than fourteen days prior to the first trade made to carry out the distribution:

(A) a notice of intention to sell in the form prescribed by the Applicable Legislation for control block distributions (the "Control Block Rules") disclosing particulars of the control position known to the seller, the number of Solectron Common Shares to be sold and the method of distribution; and

(B) a declaration signed by the seller as at a date not more than twenty-four hours prior to its filing and prepared and executed in accordance with the Control Block Rules and certified as follows:

"The seller for whose account the securities to which this certificate relates are to be sold hereby represents that the seller has no knowledge of any material change which has occurred in the affairs of the issuer of the securities which has not been generally disclosed and reported to the [name of securities regulatory authority in the Jurisdiction where the trade takes place], nor has the seller any knowledge of any other material adverse information in regard to the current and prospective operations of the issuer which have not been generally disclosed";

provided that the notice required to be filed under section 3(e)(ii)(A) and the declaration required to be filed under section 3(e)(ii)(B) shall be renewed and filed at the end of sixty days after the original date of filing and thereafter at the end of each twenty-eight day period so long as any of the Solectron Common Shares specified under the original notice have not been sold or until notice has been filed that the Solectron Common Shares so specified or any part thereof are no longer for sale;

(ii) the seller files with the applicable Decision Maker(s) within three days after the completion of any such resale or first trade, a report of the trade in the form prescribed by the Applicable Legislation;

(iii) no unusual effort is made to prepare the market or to create a demand for the Solectron Common Shares and no extraordinary commission or other consideration is paid in respect of such first trade; and

(iv) the seller (or an affiliated entity) has held the Solectron Common Shares, Exchangeable Shares and/or the C-MAC Common Shares in the aggregate for a period of at least one year provided that if:

(A) the Applicable Legislation provides that, upon a seller to whom the Control Block Rules apply, acquiring additional securities of a class pursuant to certain prescribed exemptions from prospectus requirements under such legislation, all securities of such class are subject to a hold period commencing the date the last security of the class was acquired under such prescribed exemptions; and

(B) the seller acquires Solectron Common Shares pursuant to any such prescribed exemptions;

then all Solectron Common Shares held by the seller will be subject to a one year hold period commencing on the date any such subsequent Solectron Common Shares are so acquired.

Dated at Montréal on this "28th" day of "November", 2001

Jean-François Bernier
Directeur des marchés des capitaux

THE DECISION of the Decision Makers in the Jurisdictions pursuant to the Legislation is that:

4. The requirements contained in the Legislation for Exchangeco to issue a press release and file a report with the Decision Makers upon the occurrence of a material change, file interim financial statements, an annual information form (including management discussion and analysis), audited annual comparative financial statements and an annual report, where applicable, with the Decision Makers and deliver such statements to the security holders of Exchangeco, make an annual filing with the Decision Makers in lieu of filing an information circular shall not apply to Exchangeco and the requirements to comply with insider reporting requirements shall not apply to any insider of Exchangeco, provided that:

(a) Solectron sends to all holders of Exchangeable Shares resident in Canada all disclosure material furnished to holders of Solectron Common Shares resident in the United States, including, without limitation, copies of its annual financial statements and all proxy solicitation materials;

(b) Solectron files with the Decision Makers copies of all documents required to be filed by it with the United States Securities and Exchange Commission under the United States *Securities Exchange Act of 1934*, as amended, including, without limitation, copies of any Form 10-K, Form 10-Q, Form 8-K and proxy statements prepared in connection with Solectron's shareholders meetings and all such filings are made under Exchangeco's SEDAR profile and the filing fees which would otherwise be payable by Exchangeco in connection with such filings are paid;

(c) Solectron complies with the requirements of the NYSE in respect of making public disclosure of material information on a timely basis and forthwith issues in Canada and files with the Decision Makers any press release that discloses a material change in Solectron's affairs;

(d) Exchangeco complies with the requirements of the Legislation in respect of making public disclosure of material information on a timely basis in respect of material changes in the affairs of Exchangeco that would be material to holders of Exchangeable Shares but would not be material to holders of Solectron Common Shares;

(e) the Joint Proxy Statement/Solectron Prospectus includes a statement that, as a consequence of this Decision, Exchangeco and its insiders will be exempt from certain disclosure requirements in Canada applicable to reporting issuers and their insiders and specifying those requirements which Exchangeco and its insiders have been exempted from and identifying the disclosure that will be made in substitution therefor;

(f) Solectron includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to Solectron and not in relation to Exchangeco, such statement to include a reference to the economic equivalency between the Exchangeable Shares and Solectron Common Shares and the right to direct voting at Solectron meetings pursuant to the Voting and Exchange Trust Agreement;

(g) Solectron remains the direct or indirect beneficial owner of all the issued and outstanding voting securities of Exchangeco, until no Exchangeable Share is outstanding (except those held by Solectron or affiliates of Solectron);

(h) Exchangeco does not issue any securities to the public other than the Exchangeable Shares in connection with this Arrangement;

and with respect to relief from complying with insider reporting requirements, further provided that:

(i) such insider of Exchangeco does not receive or have access to, in the ordinary course, information as to material facts or material changes concerning Solectron before the material facts or material changes are generally disclosed;

(j) such insider of Exchangeco is not a director or senior officer of (i) Solectron or (ii) a "major subsidiary" of Solectron, as such term is defined in National Instrument 55-101: Exemptions from Certain Insider Reporting Requirements, as if Solectron was a reporting issuer; and

(k) such insider of Exchangeco is not an insider of Solectron in a capacity other than as a director or senior officer of a subsidiary of Solectron that is not a major subsidiary of Solectron, as if Solectron were a reporting issuer.

Dated at Montreal on this 28 day of November, 2001.

(s) Christine Lacasse

Christine Lacasse

Chef du service de l'information financière